

**The following Minutes are DRAFT MINUTES of the meeting of the Rhode Island Industrial Facilities Corporation held on February 24, 2005. The Minutes will be presented for acceptance at the next Board of Directors Meeting. Upon acceptance, the Minutes will be posted in their accepted form. The meeting scheduled for March 24, 2005 has been cancelled; the next regular scheduled meeting is April 21, 2005.**

## **RHODE ISLAND INDUSTRIAL FACILITIES CORPORATION**

**February 24, 2005**

### **PUBLIC SESSION**

**A meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation ("RIIFC") was held in public session at the offices of RIIFC, One West Exchange Street, 5th Floor, Providence, Rhode Island, on Thursday, February 24, 2005 beginning at approximately 9:00 a.m., pursuant to a notice and agenda duly posted and sent to all members.**

**Members present throughout the meeting were Mr. Raymond Fogarty, Mr. George Mason, Mr. William Parsons and Mr. Philip Rivers. Mr. Edward Rendine was absent from the meeting. Also present and participating were Mr. Earl Queenan, Executive Director, Jr., Treasurer of RIIFC, Mr. Anthony Scolavino, Secretary of RIIFC and Ms. Philomena Teixeira, Loan Servicing Specialist for RIIFC and Karen S.D. Grande, Esquire, bond counsel to RIIFC along with Denise Marshall, Legal Assistant for bond counsel. Mr. Fogarty presided and called the meeting to order.**

## **MINUTES OF THE JANUARY 27, 2005 BOARD MEETING**

**The first item to come before the Board in Public Session was consideration of the Minutes for the Board meeting held on January 27, 2005 (the "January 27th Minutes").**

**Mr. George Mason made a motion to accept the January 27th Minutes and to maintain the Executive Session portions of the January 27th Board Meeting as confidential. Mr. William Parsons seconded the motion, which passed unanimously as follows: Mr. Raymond Fogarty - yes; Mr. Edward Rendine - yes; Mr. Philip Rivers - yes, Mr. George Mason- yes; and Mr. William Parsons - yes.**

## **ADDITIONAL BUSINESS**

**(There was no additional business)**

## **EXECUTIVE SESSION**

**Mr. William Parsons made a motion to enter into Executive Session pursuant to the Rhode Island Open Meetings Law § 42-46-5(a)(6) of the General Laws of Rhode Island, 1956 (1993 Reenactment), as amended. Mr. Philip Rivers seconded the motion, which was passed unanimously as follows: Mr. George Mason - yes; Mr. Raymond Fogarty - yes, Mr. William Parsons - yes and Mr. Philip Rivers - yes. The Board then met in Executive Session (see Executive Session minutes).**

**A meeting of the Board of Directors of the Rhode Island Industrial**

**Facilities Corporation ("RIIFC") was held in public session at the offices of RIIFC, One West Exchange Street, 5th Floor, Providence, Rhode Island, on Thursday, February 27, 2005 beginning at approximately 9:00 a.m., pursuant to a notice and agenda duly posted and sent to all members.**

**Members present throughout the meeting were Mr. Raymond Fogarty, Mr. Philip Rivers, Mr. William Parsons and Mr. George Mason. Mr. Edward Rendine was absent from the meeting. Also present and participating were Mr. Earl F. Queenan, Jr., Treasurer of RIIFC, Mr. Anthony Scolavino, Secretary of RIIFC, Ms. Philomena Teixeira, Loan Servicing Specialist for RIIFC, and Karen S.D. Grande, Esquire, bond counsel to RIIFC along with Denise Marshall, Legal Assistant for bond counsel. Mr. Fogarty presided and called the meeting to order.**

## **CONSIDERATION OF AN INDUCEMENT RESOLUTION FOR THE BENEFIT OF BIOTECH EQUITY VENTURES, LLC**

**The first item to come before the Board in Executive Session was to consider approval of an inducement resolution for the benefit of Biotech Equity Ventures, LLC ("Biotech"). Ms. Teixeira stated that Biotech was formed this year and has developed a need for a "state of the art" biotech facility for biotech companies who have demonstrated a strong potential to either remain or relocated in Rhode Island. Henry J. Keigwin and Evelyn Keigwin have developed**

**this partnership to invest in this Biotech facility. A tenant and lease has been signed with Neurotech. Biotech proposes the construction of a 21,300 sq. ft. building located in Woonsocket, Rhode Island. The total project cost is \$4,426,000. Citizens Bank has issued a commitment to the construction financing. Biotech is to be financed by a variable rate revenue bond or a mortgage. Ms. Teixeira added that they might need an IRBA Insurance or if its not a mortgage than Banc of America will do a letter of credit. Approval of RIIFC is needed for the Inducement Resolution so that costs incurred over the past sixty (60) days can be included as part of the project. Mr. Keigwin will personally guaranty the transaction along with his wife. The collateral will be a first mortgage condition on the subject real estate. The proposed tenant will be Neurotech. Mr. Keigwin's personal financial statements dated September 31, 2004 list his total assets at \$33,400,000, excluding real estate, partially or wholly owned by the Keigwins. Their total liability is\$985,000. Neurotech will lease the project currently employs 15 individual and by June 2006 will have 27 employees and by the completion of the facility in 2007 will have 50 employees.**

**Mr. Mason made a motion to accept the Inducement Resolution and Mr. Parsons seconded the motion, which was passed as follows: Mr. Raymond Fogarty - yes; Mr. Philip Rivers - yes, Mr. George Mason - yes and Mr. William Parsons - yes.**

## **CONSIDERATION OF AN INDUCEMENT RESOLUTION FOR THE BENEFIT OF PAWTUCKET ARMORY ASSOCIATION**

The second item to come before the Board in Executive Session was to consider approval of an inducement resolution for the benefit of Pawtucket Armory Association ("PAA"). Mr. Scolavino stated that the PAA is a non-profit corporation formed in 2000 to renovate the historic PAA located at 172 Exchange Street in Pawtucket. PAA's mission is to create a sustainable home for the performing of visual arts in Pawtucket. PAA contains approximately 48,000 square feet. To date, the PAA has successfully developed a need for a state of the art facility and the potential to either remain or relocated in Rhode Island. In order for PAA to accomplish its mission, it is going to need approximately \$3.9 million dollar renovation which is Phase II of its renovation plan. The sources of fund for the total project are Citizens Bank will provide 2.6 million dollars in construction and PAA will need approximately 1.3 million dollars for which they already have \$750,000 in hand. It is noted that the 2.6 million will stay in place for three years with interest only payments and 2008 the loan will be converted to a permanent financing of \$1,250,000. PAA is proposing the issuance of \$1,250,000 RIIFC taxable bond to support the permanent financing of the project. Citizens Bank will be purchasing the bond. On February 23, 2005, the project was presented to the IRBA Board which approved it. PAA currently employ 8 people and will employ an additional 31 people upon completion. The staff recommends approval substantially as presented with the items listed and the recommendations. There is no liability to RIEDC and Citizens is purchasing the bond itself except for the IRBA guaranty

**which is 75% of the \$1,250,000 which is \$975,000.**

**Mr. Rivers made a motion to accept the Inducement Resolution and Mr. Mason seconded the motion, which was passed as follows: Mr. Raymond Fogarty - yes; Mr. Philip Rivers - yes, Mr. George Mason - yes and Mr. William Parsons - yes.**

## **CONSIDERATION OF AN INDUCEMENT RESOLUTION FOR THE BENEFIT OF BULLARD ABRASIVES, INC.**

**The first item to come before the Board in Executive Session was to consider approval of an inducement resolution for the benefit of Bullard Abrasives, Inc.. Bullard Abrasives, Inc. ("BAI") is located in Westboro, Massachusetts and established in 1927. BAI manufactures in markets of grinding and cutting wheels for use in portable power tools. Nearly 70% of the company's annual turnover is provided by a select group of OEM accounts that receive products manufactured with the customer's own label. The balance of the company's revenue is generated from the sales of Bullard brand product sold through industrial, welding and construction distribution firms. BAI is currently owned by a group of stockholders with the majority in Taiwan Resibon Corp. Messrs. Richard A. Whyte, Richard G. Whyte and Craig A. Pickell and they are the senior management team. BAI needs to locate to a larger facility and has entered into a Sales Agreement to purchase a 76,000 square foot facility located in Lincoln, Rhode Island. BAI anticipates renovations and miscellaneous expenses to total approximately \$850,000. There will**

be an influx of new employment of 60 employees. BAI intends to form a new real estate entity (Not Yet Named) to own the property and is proposing the issuance of a \$3,000,000 RIIFC tax exempt bond to support the purchase of the property, rehabilitation/construction costs and costs associated with the bond. Danvers Savings Bank of Danvers Massachusetts intends to provide financing for the project and purchase the RIIFC bond. Danvers Savings Bank indicates that BAI has the cash flow to support the \$3,000,000 credit facility. BAI currently employs 56 individuals in Massachusetts. Upon completion of the project, the Company will have transferred and/or hired 60 individuals who will be working in Rhode Island.

Mr. Parsons made a motion to accept the Inducement Resolution and Mr. Rivers seconded the motion, which was passed as follows: Mr. Raymond Fogarty - yes; Mr. Philip Rivers - yes, Mr. George Mason - yes and Mr. William Parsons - yes.

#### **PUBLIC SESSION RESUMED**

Mr. Mason made a motion to move back into Public Session and Mr. Parsons seconded the motion, which was passed unanimously as follows: Mr. Raymond Fogarty - yes; Mr. William Parsons - yes, Mr. Philip Rivers - yes and Mr. George Mason - yes. Mr. Fogarty requested a motion to ratify the votes taken in Executive Session regarding the inducement resolutions for the benefit of Biotech, Pawtucket Armory and Bullard Abrasives. Mr. Mason made a motion and Mr. Parsons seconded the motion, which passed unanimously as follows: Mr. George Mason - yes, Mr. William Parsons - yes, Mr. Raymond Fogarty - yes and Mr. Philip Rivers - yes.

## **ADJOURNMENT**

**Mr. William Parsons made a motion to adjourn the meeting. Mr. George Mason seconded the motion, which was passed unanimously as follows: Mr. Raymond Fogarty - yes; Mr. George Mason – yes; Mr. Philip Rivers - yes; and Mr. William Parsons - yes.**

**Respectfully submitted,**

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**Anthony Scolavino, Secretary**

## **SECRETARY'S CERTIFICATE**

**I, Anthony Scolavino, Secretary of the Rhode Island Industrial Facilities Corporation, hereby certify that attached hereto is a true and accurate copy of the minutes of the meeting of the Board of Directors of the Rhode Island Industrial Facilities Corporation held on January 27, 2005. These minutes were approved by the Board of Directors at a meeting held on February 24, 2005.**



**Anthony Scolavino, Secretary**